

First class: Utilities panel wastes money, report says

By **MARK SCHLEIFSTEIN**
Staff writer

The New Orleans City Council's utilities committee and its legal and economic consultants have run up almost \$500,000 in unnecessary expenses during the past five years, including overpriced first-class air fares, posh hotel rooms and lavish meals, according to a report being released today by a local consumer group.

The Alliance for Affordable Energy also charges that the council and its committee violated the state Open Meetings Law at least 16 times by discussing city business during some of the dinners.

The council, through its utilities committee, regulates New Orleans Public Service Inc. and Louisiana Power & Light Co. operations within the city. Most of

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the regulatory expenses incurred by the council, its committee and its consultants are passed on to ratepayers as part of their electric and natural gas rates.

Some of the expenses incurred between 1988 and 1991 — when the council was considering buying NOPSI's operations in the city — were paid for with taxpayers' money.

Most of the expenses involve

trips by Washington, D.C., based consulting attorneys and Denver-based economic consultants to New Orleans, or members of the council to Washington or Denver to discuss NOPSI-related business.

The Alliance based its report on expense records obtained from the City Council for the period

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between May 1988 and May 1993. It compared expenditures for travel and hotels with similar air fares and lodging rates available to local governments and their consultants through the Louisiana Office of State Purchasing.

"There's been no thought given to saving ratepayers' money," said Gary Groesch, executive director of the Alliance.

"It's time to stop the champagne lifestyle in the midst of this troubled economy," he said. "It's time to take the chocolate mints off the pillows."

Councilman Joseph I. Giarrusso, chairman of the utilities committee, defended the expenses, saying the meals were necessary to discuss the complicated electric rate cases involving NOPSI and LP&L, and that the hotels and flights were booked for the council members by their consultants and were scheduled to make arrivals as convenient as possible for meetings in Washington, Denver and Los Angeles.

"I think we saved time and money, regardless of what they say," Giarrusso said. He said the bottom line is \$3.8 billion in savings to ratepayers during the past 10 years — largely in the form of rate increases that were not put into effect — that have resulted from a variety of settlements involving the rate cases.

"If what he says is true, it's a very small price to pay for a service rendered to the ratepayers of this city," Giarrusso said.

Giarrusso said he believes the Alliance report stems from bad feelings between the group and the council resulting from his and other council members' requests that the Alliance explain why its attorneys were entitled to \$400,000 in fees for their work on one of the NOPSI settlements. The payment was ordered by a federal judge, and was paid for by ratepayers.

Giarrusso said several of the dinner meetings alleged to be in violation of the state Open Meetings Law were properly publicized, but, "to be frank, others were not."

But he said that not every casual meeting of council members is considered a public meeting.

"Moreover, the public can rest assured that no final decision was ever made in secret," Giarrusso said.

Clint Vince, an attorney with the Washington, D.C.-based law firm Verner, Liipfert, Bernhard, McPherson, and Hand, called the report "headline grabbing" and "a cheap shot," and denied that the city's consultants have been profligate in their spending.

"We have guidelines that have been set up by the city," he said. "We are audited by those guidelines."

Councilman Lambert Boissiere, a member of the utilities

committee and a candidate for mayor, said he didn't know anything about the expenses involved in the various trips he took.

"Someone else made the arrangements," Boissiere said.

The Alliance report says that city officials and their consultants ignored a service of the Louisiana state government's purchasing department that provides cheap air fares and hotel rates around the country. That service is available to council members, city employees and their consultants, the report said.

The report said the state government rates for a May 23, 1993, trip to Washington, D.C., by Giarrusso, Councilman Jim Singleton and Mike Tiff, an attorney in the Council Utility Regulatory Office, would have been only \$228 each for a round-trip ticket, even if the ticket were purchased at the last minute.

Instead, Giarrusso paid \$900 for a first-class ticket, Singleton paid \$1,000 for a first-class ticket, and Tiff paid \$710 for a coach ticket.

Giarrusso said he was unaware of the state service.

In all, Giarrusso flew first class 19 times during the five years covered by the report. Singleton flew first class 12 times. Boissiere, the third member of the utilities committee, flew first class eight times.

Giarrusso said he flies first class because of medical problems involving his knees and back.

The Alliance said Vince also flew first class nine times between 1990 and 1993. Expense records for the firm were unavailable for 1988 and 1989, the report said.

The report said city records also indicate that between March 1990 and May 1993, the Verner, Liipfert law firm received

\$6,764.18 from ratepayers or taxpayers for a share of the cost of 31 meals in expensive restaurants. Those meals were often attended by members of the council.

For instance, on May 26, 1993, the law firm paid \$311.87 for a lunch for six people at the Jefferson Hotel in Washington, of which it charged \$150 to the city. Singleton and Giarrusso attended the lunch.

The report also was critical of the hotel choices made by council members and consultants.

The report said utilities committee members generally stay at the Jefferson Hotel or the Mayflower Hotel during trips to Washington. The report says Singleton once paid \$218 a night for a room at the Jefferson. Boissiere paid \$189 a night and Giarrusso paid between \$236 and \$308 a night for rooms at the Mayflower, the report said.

In contrast, the councilmen could have booked double rooms at the Hotel Lombardy — about seven blocks from the Mayflower — for only \$115 a night under the state rates.

The report also criticized council members and the Verner Liipfert firm for using limousines to shuttle around Washington. On May 14, 1992, the law firm billed \$526 in limousine services to ratepayers for trips involving council members and attorneys.

Story erred on Copelin

In a story Monday about state Rep. Sherman Copelin's candidacy for mayor of New Orleans, The Times-Picayune incorrectly reported Copelin's executive position in the Legislative Black Caucus. Copelin is treasurer of the caucus. State Sen. Charles Jones is chairman, and state Sen. Diana Bajoie is chairwoman-elect.

Ad Spotlight

Free seminars at Dillard's

By MARTIN COVERT
Advertising Reporter

AT DILLARD'S

Home decorating seminars featuring experts from Southern Living magazine will be held this week at Dillard's.

Design director Shirley Harrington will visit the third-floor furniture department at the Lakeside Dillard's Thursday for two seminars on tabletop designs and home decorating trends. Participants are invited for a 10:30 reception, followed by an 11 a.m. session or a 6:30 reception followed by a 7 p.m. evening semi-

with leeks and fresh herb sauce, linguine with wild mushrooms and cheeses, roast pheasant with prosciutto, polenta, vegetables and much more. Reservations, details: 834-8583.

BUYING, SELLING

Weber Realty Group is sponsoring a home buying and selling seminar Wednesday at 7 p.m. at 2540 Severn, off the I-10 Service Road near the Landmark Hotel.

Presenters and topics at the free seminar: Bruce Bultman of Eustis Mortgage on "Creative Financing," Bill Springer of Building Inspection Services on "Home Inspections" and Gayle